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REPORT TO THE COMMITTEE ON
POST OFFICE AND CIVIL SERVICE
HOUSE OF REPRESENTATIVES 096758

RELEASED



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Information On
Law Enforcement Activities Of The
United States Postal Service

B-114874

BY THE COMPTROLLER GENERAL
OF THE UNITED STATES

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FEB. 14, 1974



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-114874

The Honorable Thaddeus J. Dulski, Chairman
Committee on Post Office and Civil Service
House of Representatives

Dear Mr. Chairman:

Your letter of July 20, 1973, requested that we study the law enforcement activities of the Postal Inspection Service of the United States Postal Service.

In accordance with your request we are providing your Committee with general information on the law enforcement activities of the Postal Inspection Service but, as agreed with your office, we did not evaluate the Service's effectiveness in administering these activities. The accompanying appendix contains information on the (1) organization, (2) finances, (3) activities, and (4) accountability of the Postal Inspection Service. We briefed the House Subcommittee on Postal Facilities, Mail, and Labor Management, on January 3, 1974, on highlights of the contents of the accompanying report.

In accordance with discussions with your office, copies of this report are not being provided to the U.S. Postal Service. Also, no further distribution of this report will be made without your agreement or public announcement being made by your office concerning its contents.

Sincerely yours,

A handwritten signature in cursive script, reading "James B. Stacks", is positioned above the typed name of the Comptroller General.

Comptroller General
of the United States

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INFORMATION ON LAW ENFORCEMENT

ACTIVITIES OF THE UNITED STATES POSTAL SERVICE

INTRODUCTION

In a letter dated July 20, 1973, the Chairman, House Committee on Post Office and Civil Service, requested us to study the law enforcement activities of the Postal Inspection Service. At a later meeting with the Committee, this initial request was modified to include the development of general information on the overall responsibilities, structure, and activities of the Postal Inspection Service, with particular emphasis on its criminal investigations activities. The Committee desired this information for use in oversight hearings. We also agreed that we would not attempt to evaluate the Inspection Service's effectiveness.

CREATION OF POSTAL INSPECTION SERVICE

Because of increasing concern about postal activities, the President established the Commission on Postal Organization in April 1967 to determine the feasibility and desirability of transferring the postal service to a Government corporation or some other form of organization.

The Commission's June 1965 report concluded that the former Post Office Department had been operated as an ordinary Government agency, when it was, in fact, a business. The report stated that "the challenges faced by this major business activity cannot be met through the present inappropriate and outmoded form of postal organization." The Commission recommended establishing a postal corporation to operate the postal service on a self-supporting basis.

The Congress was receptive to the Commission's recommendations and passed the Postal Reorganization Act (39 U.S.C. 101). The act terminated the Post Office Department and created the United States Postal Service, effective July 1, 1971.

The Congress, as recommended by the President's Commission, gave the Postal Service the independence considered necessary to operate as a business activity, rather than an

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executive department. For example, the instructions and regulations of the Office of Management and Budget generally do not apply to the Postal Service. Its budget is not subject to the line-by-line scrutiny which had been given to the former Post Office Department's budget by the Office of Management and Budget and by the Congress. Similarly, the Postal Service can proceed with capital investment projects, without obtaining external budgetary approvals.

An 11-member Board of Governors, 9 of whom are appointed by the President with the advice and consent of the Senate, directs the Postal Service. The Governors are appointed for 9-year terms and may be removed only for cause. The Postmaster General and the Deputy Postmaster General, the other two members of the Board, are selected by the Governors. The Postal Reorganization Act states that the basic function of the Postal Service is to provide postal services to bind the nation together through the personal, educational, literary, and business correspondence of the people. The Postal Service is also charged with:

- Protecting the mail in its movement from originator to recipient.
- Protecting the general public from criminal misuse of the postal system.
- Protecting postal properties and facilities.

These three responsibilities are carried out by the Inspection Service, one of the oldest Federal law enforcement agencies, with a history dating back to 1737. Another important part of the Inspection Service's mission is the internal audit and review of postal operations. This responsibility, formerly assigned to the Bureau of Finance, was transferred to the Inspection Service in 1957. The Inspection Service currently has about 5,700 employees and is operating under a fiscal year 1974 operating budget of about \$97 million.

We have organized the information developed for the Committee into four areas:

- The organization, staffing, and financing of the Inspection Service, and its position within the overall organization of the Postal Service.

- The Inspection Service's functions.
- The relationship of the Inspection Service to other Federal law enforcement agencies with comparative information on the number, powers, and accountability of their enforcement personnel.
- Cooperation with other Federal agencies.

SCOPE OF REVIEW

The information contained in this report is based on discussions with Inspection Service officials and an examination of documentation at Postal Service headquarters. We reviewed Inspection Service policies and procedures and legislation and hearing records relating to the Inspection Service and other selected Federal law enforcement agencies.

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ORGANIZATION, STAFFING, AND FINANCES

ORGANIZATION

The Postal Inspection Service is headed by the Chief Inspector who reports directly to the Postmaster General. (See app. II.) The Chief Inspector is one of nine officials reporting to the Postmaster General, including the holders of positions such as the General Counsel, the Senior Assistant Postmaster General for Administration, and the Assistant Postmaster General for Government Relations.

The Inspection Service's organization and that of the other Postal Service departments do not appear to be significantly different. For example, its proposed budget, as with the other departments, is submitted to and reviewed by the Finance Department. The Inspection Service uses the Office of the General Counsel's services on civil matters, as do the other departments. On criminal matters, the Service, as with other Federal law enforcement agencies, uses the services of U.S. attorneys in the Department of Justice. The Chief Inspector, like other officials at his level, periodically briefs the Board of Governors on the activities of his organization.

Appendix III describes the internal organization of the Inspection Service at the headquarters level. The four main operating offices of the Service are Criminal Investigations, Security, Audit, and Administration, each headed by an Assistant Chief Inspector.

The Technical Services Division, a support group reporting directly to the Chief Inspector, provides technical assistance in criminal investigations. The Division operates five Crime Laboratories--one in each Postal Service region--which provide a variety of services including examinations related to check and money order forgeries, fingerprint analyses, weapons identification, and examination of evidence connected with bomb mailings.

A Service Regional Chief Postal Inspector is situated at each of the regional headquarters. Each Inspection Service regional organization has functional groups for Criminal Investigations, Security, Audit, and Administration which are headed by Assistant Regional Chief Inspectors. (See app. IV.)

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The Special Investigations Division, whose head reports to the Chief Inspector, is responsible for investigating possible improprieties by inspectors. We were informed that most law enforcement agencies have similar groups for investigating internal affairs.

STAFFING

According to the Inspection Service, its personnel strength at October 30, 1973, was 5,712. The staff was composed of the following categories of employees.

Postal inspectors	1,755
Special investigators	206
Security force	2,648
Support personnel	950
Headquarters staff	<u>153</u>
Total	<u>5,712</u>

Postal inspectors and special investigators make up the investigative arm of the Inspection Service. They are responsible for criminal investigations and audits, background investigations, and security planning. Until fiscal year 1974, internal auditors were a separate entity within the Inspection Service. A total of 166 auditors were converted to inspectors and (1) were given the training provided inspectors, (2) their job titles were changed, and (3) their overall level of compensation was increased.

Until fiscal year 1972, special investigators were not a part of the Inspection Service--reporting to, and being carried on the rolls of, local postmasters. These employees are used in activities very similar to those of inspectors, except that they are not as fully trained in all aspects of investigation.

The following table illustrates the recent growth trend of the Inspection Service and is expressed in man-years, rather than authorized positions or on-board strength.

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<u>Fiscal year</u>	<u>Man-years</u>	<u>Index</u> <u>1970=100</u>
1970	1,800	100
1971	2,026	113
1972	4,588	255
1973	5,036	^a 280
1974	5,321	^b 296

^aPreliminary calculation.

^bEstimate.

The increase in staff during 1972 was largely attributable to the establishment of the Security Force in the Inspection Service. The increase from 1972 to 1973 was largely attributable to the absorption of the Special Investigators, now numbering 206.

When the addition of the security force and the special investigators is considered, it is apparent that the real growth of the Inspection Service did not result from significant increases in the number of inspectors as may be implied by the statistics.

FINANCES

The operating budget of the Inspection Service has increased significantly in recent years.

<u>Fiscal year</u>	<u>Commitments</u>	<u>Index</u> <u>1970=100</u>
1970	\$28,557,000	100
1971	36,133,000	127
1972	74,688,000	262
1973	^a 84,527,000	296
1974	^b 97,639,000	343

^aPreliminary calculation.

^bEstimate.

This substantial increase is primarily attributable to increased payroll costs resulting from (1) the threefold

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increase in number of personnel between 1970 and 1974 and (2) the escalation in salaries and benefits over that period. The average postal worker's compensation increased about 47 percent between 1970 and 1974.

The Inspection Service's fiscal year 1974 budget by functional area was as follows:

<u>Functional area</u>	<u>Commitments</u>
Criminal investigations	\$34,431,000
Security	29,581,000
Audit	13,097,000
Administration	<u>20,530,000</u>
Total	<u>\$97,639,000</u>

The fiscal year 1974 budget by object classification was as follows.

<u>Object classification</u>	<u>Commitments</u>
Salaries and benefits	\$89,597,000
Travel	4,518,000
Transportation of things	194,000
Communications	8,000
Photographs, cuts, etchings	12,000
Other services	3,030,000
Supplies and materials	110,000
Claims and indemnities	<u>170,000</u>
Total	<u>\$97,639,000</u>

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FUNCTIONS

There are four functional areas of Inspection Service activity.

- Criminal investigations.
- Security.
- Audit.
- Administration.

The first three, the line activities of the organization, are discussed below.

CRIMINAL INVESTIGATIONS

The Inspection Service is responsible for investigations related to the violation of 85 statutes under title 18 of the United States Code. These statutes may be grouped into two major classes: (1) criminal acts against the mails, postal facilities, or postal personnel and (2) criminal misuse of the postal system. In exercising its investigative jurisdiction over the statutes, the Inspection Service has partitioned the various types of investigations into the following functional categories:

- Prohibited mailings. The mailing of obscene materials and sex-oriented advertisements, narcotics and/or dangerous drugs, bombs sent to individuals or intended to damage postal facilities, and concealable handguns going to unauthorized recipients.
- Fraud. For example, various work-at-home schemes, home improvement schemes, fraudulent loan commitments, and various charity rackets.
- House letterbox theft.
- Internal theft. Theft from the mail system by postal employees.
- Financial investigations. Audits aimed at uncovering embezzlements within the Postal Service.
- Money order investigations.

--Burglary.

--Other depredations. Includes the holdup of post offices or postal employees, fire in a collection box, and assaults on postal employees. The categories not defined are self-explanatory. Public Law 91-452, the Organized Crime Control Act of 1970, which was enacted to assist in the massive Federal attack on organized crime, provides an additional tool in evidence gathering which has had a significant effect on the investigations carried out by the Inspection Service as a participant in the Organized Crime Strike Force concept under the direction of the Justice Department.

Public Law 91-513, the Comprehensive Drug Abuse Prevention and Control Act of 1970 included language which clearly established a Federal sanction against the trafficking in drugs or other illegal substances through use of the mails.

Investigative workload:
fiscal years 1971 through 1973

The investigative workload of postal inspectors is presented in the following table. The workload is divided into audit, criminal, and civil/administrative investigative areas. As the table shows, for each of the fiscal years of concern, the significant investigative area was in criminal investigations with audit and civil/administrative being roughly equal.

Postal Inspector Investigative Time

Investigative area	<u>Percent of effort</u>		
	<u>Fiscal year</u> <u>1971</u>	<u>Fiscal year</u> <u>1972</u>	<u>Fiscal year</u> <u>1973</u>
Audit	17	16	14
Criminal	68	70	71
Civil/Adm.	<u>15</u>	<u>14</u>	<u>15</u>
Total man- years (note a)	1,106.36	1,164.99	1,230.54

^aMan-years are based on an 11-hour workday.

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These workload figures are for the actual investigative time and do not include en route, domicile coordination, under instruction, leave, or supervisory time.

Postal inspector investigative workload by activity is presented in the next table.

Postal Inspector Investigative Time Attributed to Criminal Investigations

Investigative activity	Fiscal year 1971	<u>Percent of effort</u>	
		Fiscal year 1972	Fiscal year 1973
Prohibited mailings	7	6	7
Fraud	19	22	24
House letter-box theft	20	21	21
Internal theft	25	25	25
Financial investigations	5	4	3
Money order investigations	2	2	2
Burglary	5	3	3
Other depredations	<u>17</u>	<u>17</u>	<u>15</u>
Total man-years (note a)	754.15	820.00	869.77

^aMan-years are based on an 11-hour workday.

This table shows that, over the past 3 fiscal years, most of the inspector's criminal investigative time has been in the fraud, house letterbox theft, and internal theft investigations. The activity, other depredations, likewise has occupied a significant part of the inspector's criminal investigative time.

The criminal investigative workload for the 206 special investigators is presented in the following table for fiscal year 1973. Comparable data for fiscal years 1971 and 1972 was not available because these personnel were carried on the payrolls of postmasters in prior years.

Special Investigator Investigative Time
Attributed to Criminal Investigations

<u>Investigative activity</u>	<u>Percent of effort</u>
Prohibited	
mailings	0.2
Fraud	0.4
House letter-	
box theft	44.6
Internal theft	48.4
Financial in-	
vestigations	0.3
Money order	
investiga-	
tions	0.4
Burglary	0.4
Other depre-	
dations	<u>5.3</u>
Total man-	
years (note a)	b ₁₈₃

^aMan-years based on an 8-hour work-day.

^bThis figure only refers to criminal investigative time and hence does not include, for example, leave, training time, supervisory time, or en route time.

The postal inspector

The powers of postal inspectors, responsible for criminal investigations, are derived from 18 U.S.C. 3061. This section provides that officers and employees of the Postal Service performing duties related to the inspection of postal matters may, to the extent authorized by the Board of Governors:

--Serve warrants and subpoenas issued under the authority of the United States.

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- Make arrests without warrant for offenses against the United States committed in their presence.
- Make arrests without warrant for felonies cognizable under U.S. laws if they have reasonable grounds to believe that the person to be arrested has committed or is committing such a felony.

This section provides that these powers can only be exercised in enforcing laws regarding U.S. property in the custody of the Postal Service, including Postal Service property, use of the mails, and other postal offenses.

Postal inspectors conduct criminal, civil, and administrative investigations involving violations of postal laws and generally protect the flow of mails in any emergency. Inspectors cooperate with other law enforcement personnel in developing informants from among members of the underworld and gathering prosecutorial evidence and making arrests. Inspectors analyze and evaluate postal operations through audit inspections and make recommendations for improving management and procedures. Postal inspectors in nonadministrative positions currently earn from \$11,902 to \$25,584.

Training

A 16-week training course is conducted for new inspectors in Bethesda, Maryland. During the first 8 weeks of the training course, students are trained in the use of firearms; self-defense tactics; the rules of evidence, search, and seizure; report writing; audit procedures; and introductory training in mail fraud and internal theft. The next 4 weeks is a field-training period, emphasizing the practical application of materials presented in the first 8 weeks. This field training uses the team approach under the guidance of an experienced postal inspector. A final 4 weeks of training is offered in either criminal investigations or audit procedures, at the option of the trainee.

Provision is made, as with other Federal agencies, for additional training for the staff. For the Inspection Service this training provision ranges from conducting 1-week refresher courses for bomb specialists to financing the attendance at 5- or 6-week executive development programs

conducted at the University of Texas, the University of Virginia, and Cornell University.

SECURITY

The security function of the Inspection Service is an integral part of its objective of protecting postal property and personnel as well as the mails. The uniformed security force members have been primarily responsible for protecting postal property and personnel by way of patrols, vehicular as well as on foot, in and around postal buildings located in high crime areas of some of the major cities. Also the force has been using dogs to assist in personnel protection around the perimeter of some postal buildings. The uniformed force also provides escort services for valuables being sent by registered mail between post offices and major airports. This force also provides protection and security at the several Federal courthouses currently located in Postal Service buildings.

Other security functions of the Inspection Service entail the development of plans and programs for protecting postal facilities from burglary. One such program is the Burglary Countermeasure Program. This Program entailed the establishment of security classifications and equipment requirements for all postal facilities. Another area in which the Inspection Service exercises its security responsibilities is in performing background investigations on the suitability for employment of applicants for full-time regular positions. All persons appointed to sensitive positions in the Postal Service are subject to a full Inspection Service field investigation.

AUDIT

The audit function, in addition to including the examination of financial reports, also is aimed at insuring compliance with applicable laws and regulations, assisting in the efficiency and economy of operations, and improving the effectiveness in achieving program goals. Some of the activities of the Inspection Service are of the operational audit type. These include audits of customer service functions, intercity mail transportation, and the management of vehicle maintenance. Financial audits performed consist of reviewing records and procedures used at post offices and

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data centers and auditing the official mail activities of the Postal Service.

Audit inspections include reviewing service-type activities such as the use, maintenance, and administration of buildings and mechanized equipment at leased and owned postal facilities. Service investigations are initiated primarily at the request of managers, Members of Congress, and customers. An example would be a special review of the mail handling activities at the largest facilities in the central Postal Service region to determine reasons for delays. Another example would be a nationwide audit of the Airmail Improvement Program and First-class Mail Service Performance to determine service performance for first-class and airmail letters mailed at and delivered to 76 large cities. Accident investigations involving personal injury or property damage are conducted under the audit functions.

COMPARISON WITH OTHER
FEDERAL LAW ENFORCEMENT AGENCIES

We have compared the Inspection Service with the United States Secret Service, the Federal Bureau of Investigation (FBI), the Drug Enforcement Administration (DEA), and the Bureau of Alcohol, Tobacco, and Firearms (ATF) with respect to size, powers, and accountability of their enforcement personnel. These agencies were chosen because they are among the principal law enforcement agencies in the Federal Government. It should be noted that DEA is the successor to the Bureau of Narcotics and Dangerous Drugs (BNDD) and absorbed all of its functions by virtue of the Presidential Reorganization Plan No. 2 of 1973. Each of the agencies cited above is part of either the Department of Justice or the Treasury whose heads serve at the pleasure of the President.

The following table provides information on the powers and accountability of enforcement personnel in the selected agencies.

<u>Agency</u>	<u>Inspection service</u>	<u>FBI</u>	<u>BNDD</u>	<u>ATF</u>	<u>Secret Service</u>
Accountability	Board of Governors	Attorney General	Attorney General	Secretary of the Treasury	Secretary of the Treasury
Statutory Au- thority	18 U.S.C. 3061	18 U.S.C. 3052	21 U.S.C. 878	26 U.S.C. 7608	18 U.S.C. 3056
Powers of Enforce- ment Personnel:					
Carry firearms	^a Yes	Yes	Yes	Yes	Yes
Make arrest	Yes	Yes	Yes	Yes	Yes
Serve warrants	Yes	Yes	Yes	Yes	Yes

^aNot in the United States Code.

The next table compares the size of the investigative staff of the Inspection Service, with the other agencies during fiscal years 1971 through 1974.

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<u>Agency</u>	<u>Fiscal year</u>			
	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>
Postal Inspection Service/ Postal Service (note a)	1,468	1,619	^b 1,795	^b 1,961
FBI/Justice	7,878	8,485	8,572	8,496
DEA [formerly ODALE and BNDD]/Justice	1,334	1,446	1,446	^c 2,207
ATF/Treasury	1,389	1,630	1,622	1,566
Secret Service/Treasury	1,018	1,242	1,220	1,230

^a Postal inspectors and special investigators only.

^b Includes 206 special investigators.

^c This is for DEA which absorbed the 1,446 BNDD agents, received an increase of 200 additional agents and had 561 agents transferred to it from the Customs Bureau.

COOPERATION WITH OTHER AGENCIES

The Inspection Service cooperates actively with its sister law enforcement agencies, as reflected by the assignment of inspectors to 18 Justice Department Organized Crime Strike Forces. This participation is based on the fact that Public Law 91-452, the Organized Crime Control Act of 1970, includes violation of the mail fraud statute as a "racketeering activity," thus requiring the participation of the Inspection Service which is charged with the investigation of mail fraud activities. The level of workload (in inspector man-years) in this assignment was 23.9 in fiscal year 1971, 30.2 in fiscal year 1972, and 26.6 in fiscal year 1973.

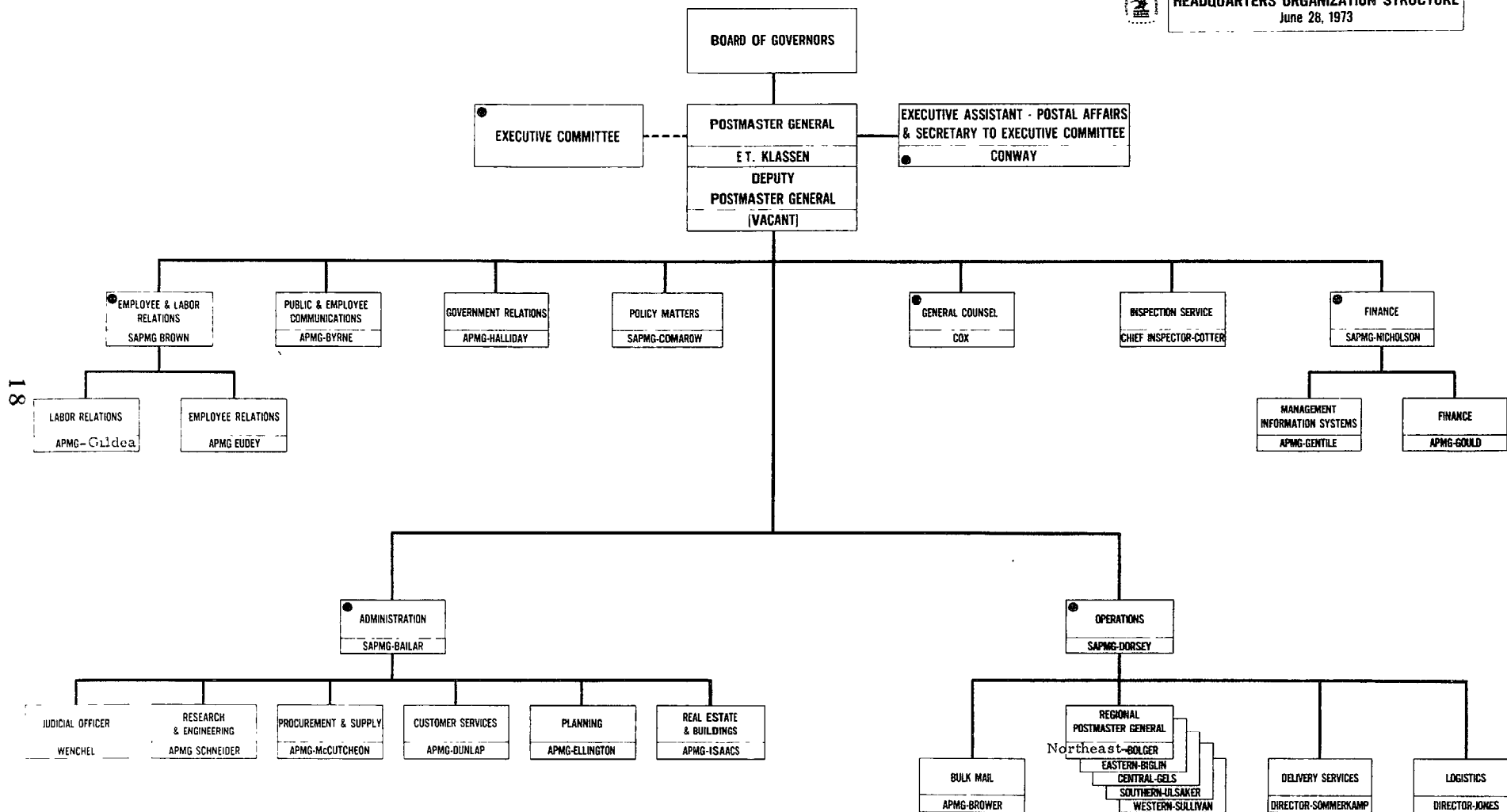
The Office of Drug Abuse Law Enforcement (ODALE) of the Department of Justice, created by Executive Order 11641 of January 28, 1972, was authorized to obtain the assistance of, coordinate and direct the activities of law enforcement expertise in suppressing the flow of narcotics and dangerous drugs. Data available to us showed the level of workload (in inspector man-years) to be 1.4 in fiscal year 1973.

As a matter of policy, the Inspection Service has cooperated with the Secret Service in providing "tightened security features" incident to presidential travels as well as travels of presidential candidates. This assistance may, for example, entail background investigations or security of Federal buildings along travel routes. The Inspection Service has not kept records of the level of workload in this activity.

Generally, cooperation between sister Federal law enforcement agencies takes place through provision of law, as the above examples indicate, or through formal memoranda of cooperation, or through informal cooperation. A formal memorandum of cooperation exists between the Inspection Service and the Secret Service defining investigative priorities and cooperative procedures in cases of forged and uttered U.S. Government checks. There is also a formal memorandum of cooperation between the Inspection Service and DEA (the successor of BNDD and ODALE). Informal cooperative arrangements exist with the enforcement and investigative personnel of most of the executive departments and agencies, such as the Securities and Exchange Commission, the Department of Agriculture, and the Department of Housing and Urban Development.

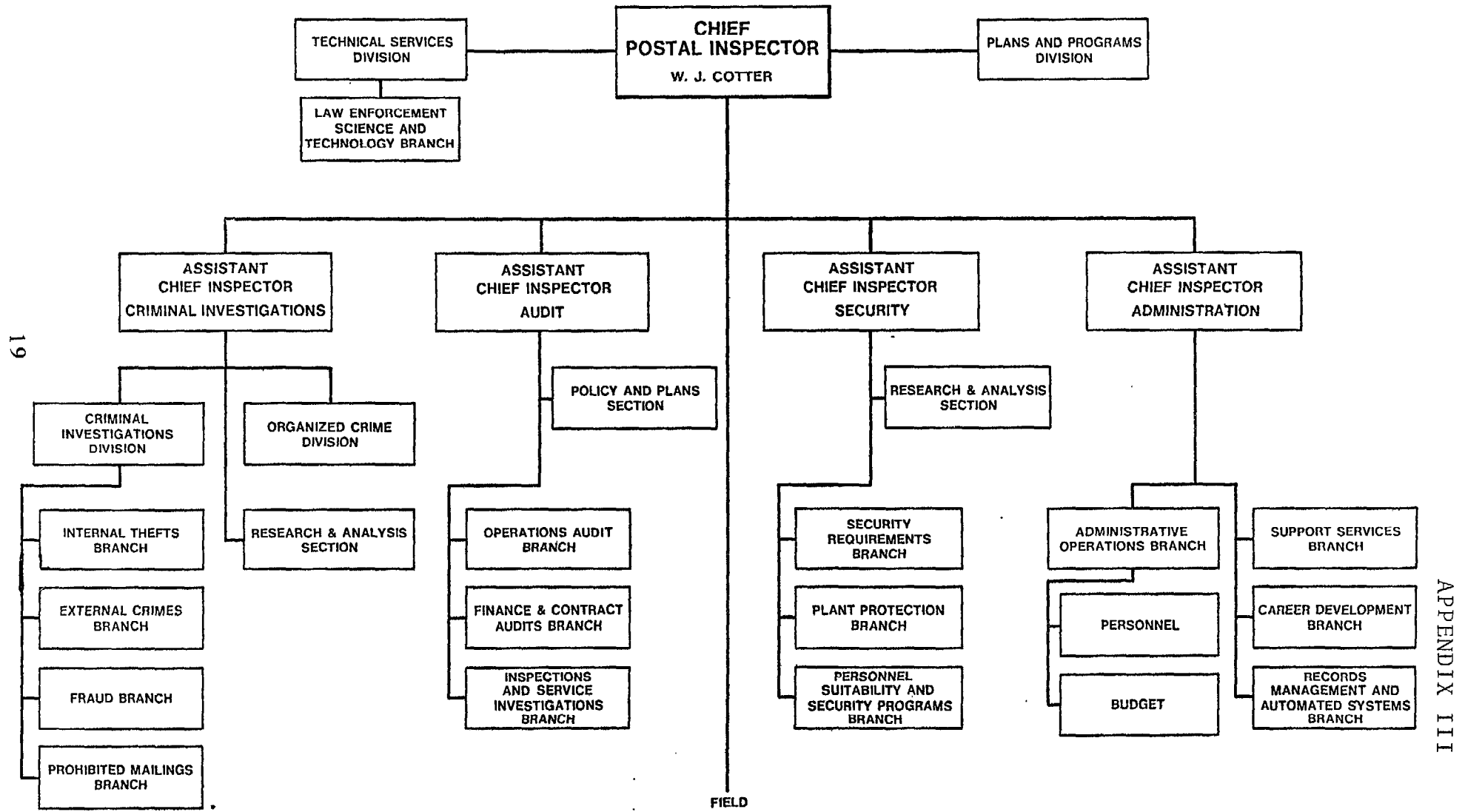


HEADQUARTERS ORGANIZATION STRUCTURE June 28, 1973

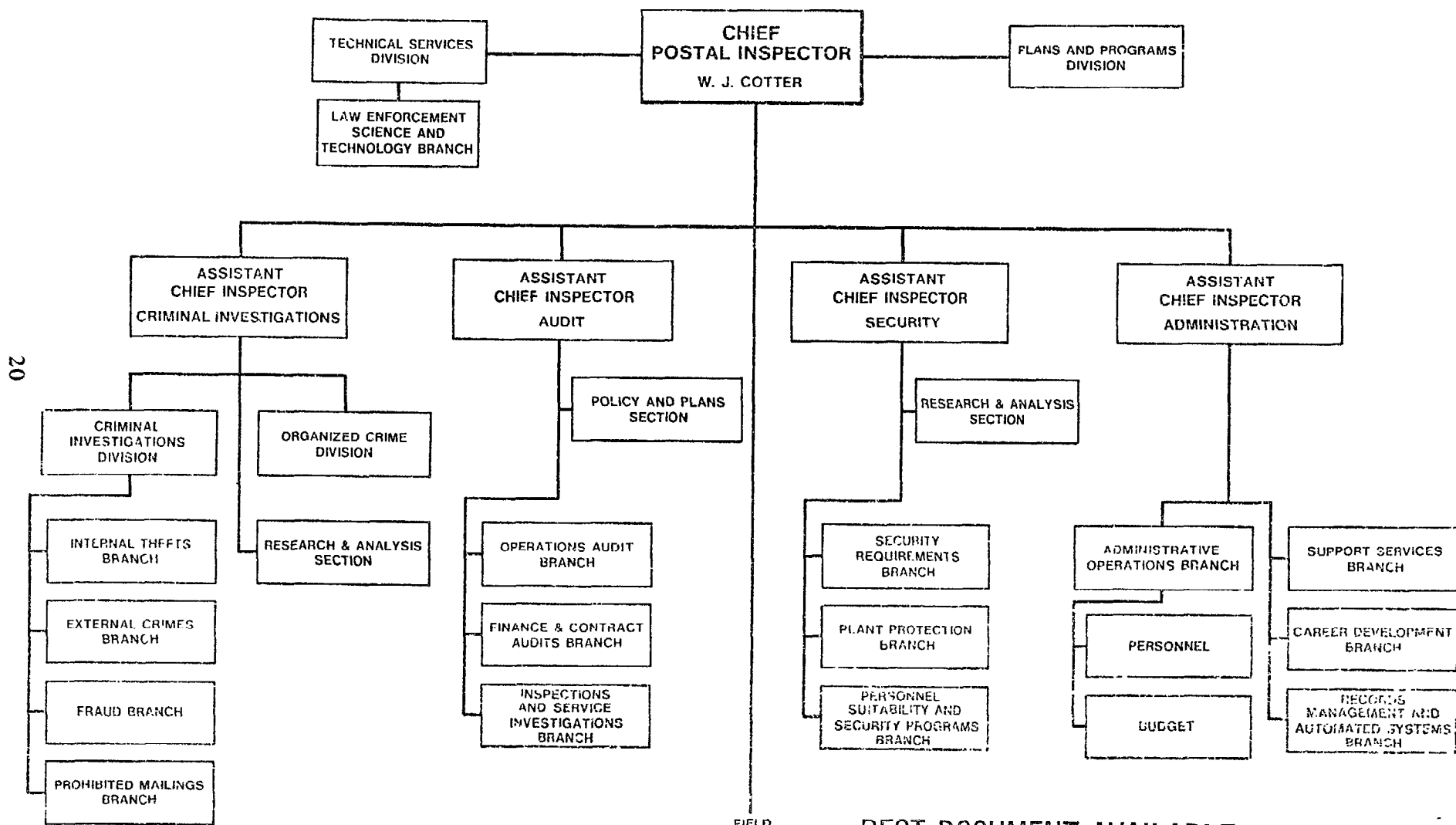


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POSTAL INSPECTION SERVICE HEADQUARTERS

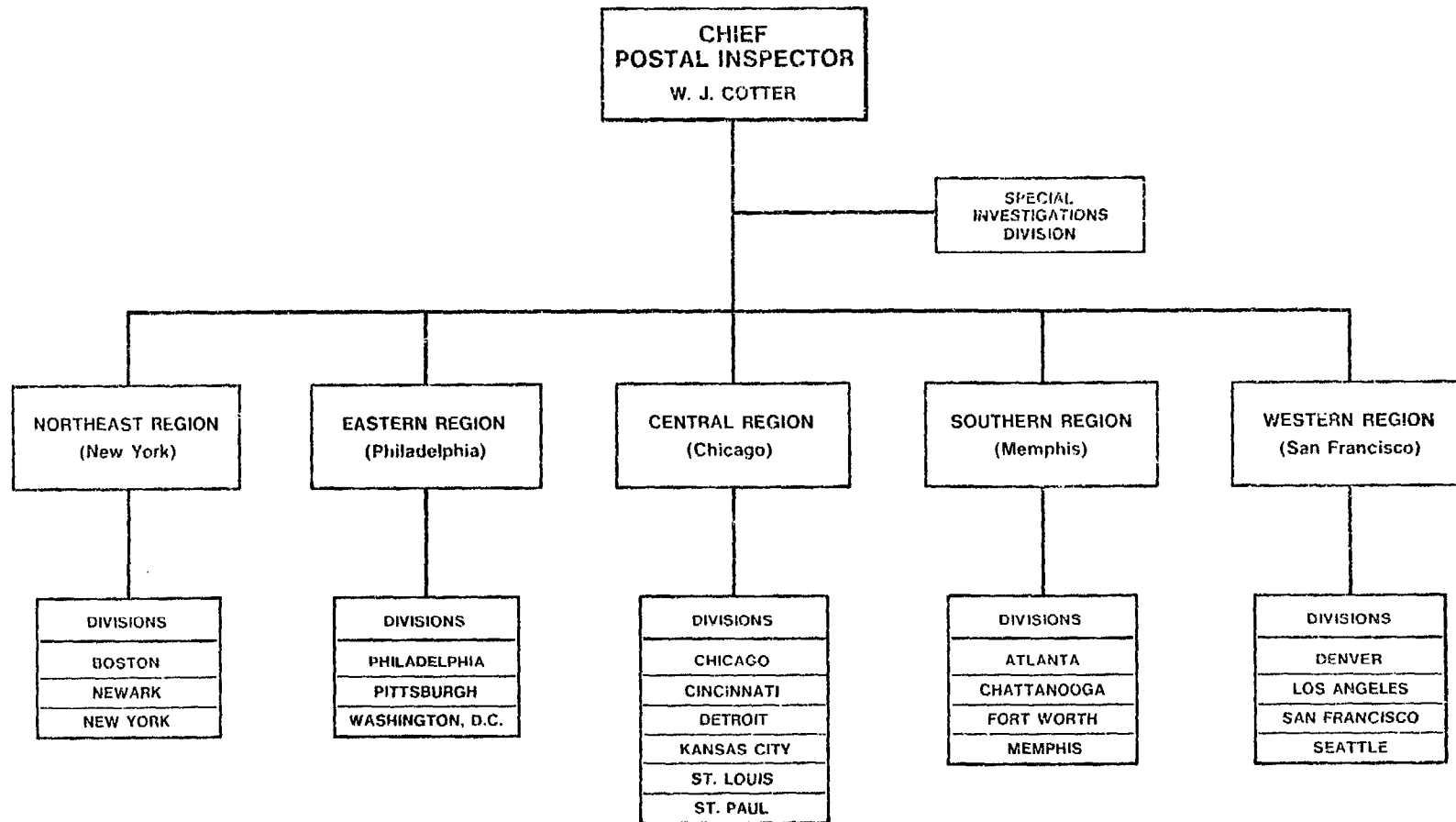


POSTAL INSPECTION SERVICE HEADQUARTERS



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POSTAL INSPECTION SERVICE REGIONS AND DIVISIONS



NOTE: Each Region has an Assistant Regional Chief Inspector for Criminal Investigations, Audit, Security, and Administration.

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